

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Health	(2) MEETING DATE 11/26/2013	(3) CONTACT/PHONE Penny Borenstein / 781-5519	
(4) SUBJECT Request to: 1) approve and sign the Local Primacy Delegation Agreement (LPDA) (Clerk's File) with the California Department of Public Health to enforce the State's drinking water requirements for community water systems serving 199 or fewer service connections; 2) approve and sign the Grant Funding Agreement (Clerk's File) with the California Department of Public Health to provide one-time funding in the amount of \$365,500 to support local primacy agency activities; 3) authorize the Health Officer or designee to sign the three attachments within the two agreements; and 4) approve a related budget adjustment for FY 2013-14 in the amount of \$50,000 from unanticipated revenue for fund center 160 - Public Health; and 5) authorize the Health Officer or designee to sign any future amendments related to the small water system program that does not increase the level of General Fund Support required by the Health Agency.			
(5) RECOMMENDED ACTION It is recommended that the Board: 1) Approve and sign the Local Primacy Delegation Agreement (LPDA) with the California Department of Public Health to enforce the State's drinking water requirements for community water systems serving 199 or fewer service connections; 2) Approve and sign the Grant Funding Agreement (GFA) with the California Department of Public Health to provide one-time funding in the amount of \$365,500 to support local primacy delegation activities; 3) Authorize the San Luis Obispo County Health Officer or designee to sign the following three documents; a. Confidentiality Agreement attached as Exhibit B in the LPDA b. Claims Form referred to as attachment #2 in the General Funding Agreement c. Fiscal Agent Agreement referred to as attachment #3 in the Grant Funding Agreement 4) Approve a budget adjustment for FY 2013-14 in the amount of \$50,000 from unanticipated revenue to fund center 160 – Public Health for temporary help staff to perform data entry and a data management contractor to improve our data exchange between the State (4/5 vote is required); and 5) Authorize the Health Officer or designee to sign any future amendments related to the small water system program that does not increase the level of General Fund Support required by the Health Agency. The State requires a County Officer other than the Board to sign off on the three (3) documents listed in item #3 under the recommendation section.			
(6) FUNDING SOURCE(S) Federal	(7) CURRENT YEAR FINANCIAL IMPACT \$69,321.00	(8) ANNUAL FINANCIAL IMPACT \$69,321.00	(9) BUDGETED? \$19,321 - budgeted \$50,000 – not budgeted
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1314067 <input checked="" type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director
Penny Borenstein, MD, MPH, Health Officer

DATE: November 26, 2013

SUBJECT: Request to: 1) approve and sign the Local Primacy Delegation Agreement (LPDA) (Clerk's File) with the California Department of Public Health to enforce the State's drinking water requirements for community water systems serving 199 or fewer service connections; and 2) approve and sign the Grant Funding Agreement (Clerk's File) with the California Department of Public Health to provide one time funding in the amount of \$365,500 to support local primacy agency activities; and 3) authorize the Health Officer or designee to sign the three attachments within the two agreements; and 4) approve a related budget adjustment for FY 2013-14 in the amount of \$50,000 from unanticipated revenue for fund center 160 - Public Health; and 5) authorize the Health Officer or designee to sign any future amendments related to the small water system program that does not increase the level of General Fund Support required by the Health Agency.

RECOMMENDATION

It is recommended that the Board:

- 1) Approve and sign the Local Primacy Delegation Agreement (LPDA) with the California Department of Public Health to enforce the State's drinking water requirements for community water systems serving 199 or fewer service connections; and
- 2) Approve and sign the Grant Funding Agreement (GFA) with the California Department of Public Health to provide one-time funding in the amount of \$365,500 to support local primacy delegation activities; and
- 3) Authorize the San Luis Obispo County Health Officer or designee to sign the following three documents; and
 - a. Confidentiality Agreement attached as Exhibit B in the LPDA
 - b. Claims Form referred to as attachment #2 in the General Funding Agreement
 - c. Fiscal Agent Agreement referred to as attachment #3 in the Grant Funding Agreement
- 4) Approve a budget adjustment for FY 2013-14 in the amount of \$50,000 from unanticipated revenue to fund center 160 – Public Health for temporary help staff to perform data entry and a data management contractor to improve our data exchange between the State (4/5 vote is required); and
- 5) Authorize the Health Officer or designee to sign any future amendments related to the small water system program that does not increase the level of General Fund Support required by the Health Agency.

The State requires a County Officer other than the Board to sign off on the three (3) documents listed in item #3 under the recommendation section.

DISCUSSION

Background:

The California Department of Public Health (CDPH) is responsible for enforcing the requirements of the California Safe Drinking Water Act. CDPH has the authority to delegate the regulation of small public water systems with up to 199 service connections to the local health officer. CDPH has adopted regulations specifying the requirements for a small public water system regulatory program by a local health officer under authority delegated by CDPH. On August 3, 1993, the County of San Luis Obispo entered into a delegation agreement with CDPH to regulate small public water systems with 199 or fewer service connections through the implementation of the California Safe Drinking Water Act (Prior

Agreement). Under the terms of this agreement, the Health Officer was required to ensure that small public water systems complied with water quality, monitoring and equipment standards. Environmental Health Services is the division responsible for implementing the requirements of the California Safe Drinking Water Act for small public water systems with 199 or fewer service connections.

Under the authority of the Health Officer, Environmental Health Services regulates about 150 small public water systems in the County. After 20 years, CDPH wishes to replace the Prior Agreement with the Local Primacy Delegation Agreement. Pursuant to the LPDA, CDPH will delegate to the County the authority to enforce state laws and regulations applicable to the delivery of drinking water to consumers by small public water systems with 199 or fewer service connections. In connection with the LPDA, CDPH will provide one-time funding in the amount of \$365,500 in the form of a grant made by the State to the County of San Luis Obispo under the provisions of the Federal Safe Drinking Water Act and the Safe Drinking Water State Revolving Fund Law of 1997 (Grant). The Grant funds may be used only for the operation of the local drinking water program as administered by the Health Officer under the terms of the LPDA. The LPDA must be executed by November 30, 2013 and the delegation has four parts:

Local Primacy Delegation Agreement (LPDA)

The LPDA specifies permitting, inspection, sampling, monitoring, data management and reporting requirements. In addition, the agreement also requires the County to take enforcement action in accordance with the California Code of Regulations and consistent with CDPH. The LPDA requires adequate staffing and expertise as well as training to implement the LPDA and the California Safe Drinking Water Act.

Confidentiality Agreement

The Confidentiality Agreement requires that the County maintain as confidential documents and records provided by CDPH concerning the location of drinking water sources, treatment facilities, pumping stations, distribution systems and storage facilities for all small public water systems. The Agreement also specifies that documents, records, memoranda, policy, guidance documents and records marked "Confidential" provided by CDPH also remain confidential. Records required by court orders or applicable state or federal law, including but not limited to the California Public Records Act, will not remain confidential.

Grant Funding Agreement

This Agreement provides one-time funding in the form of a grant made by the State to the County of San Luis Obispo under the provisions of the Federal Safe Drinking Water Act and the Safe Drinking Water State Revolving Fund Law of 1997. The total Grant amount awarded is \$365,500. Grant funds may be used only for the operation of the Small Drinking Water System Program. Disbursement of the Grant funds to Environmental Health Services shall be as follows:

Disbursement 1: Up to 34% upon execution of the Grant Funding Agreement

Disbursement 2: Up to 33% upon completion of the following:

- Submittal of required data elements
- Submittal of all water system records in its data base
- Begin work to correct any data errors and re-submit corrected data

Disbursement 3: Up to 33% upon completion of the following:

- Notification and submittal of 2012 electronic annual reports by active small public water systems
- Submittal of FY 2013-14 Annual Work Plan by Environmental Health Services

Fiscal Agent Agreement

The Grant Funding Agreement requires that the State engage the services of a fiscal agent to assist in holding and managing the Grant Amount and disbursing the Grant funds upon direction of the State. The State will make a one-time lump sum Grant payment to the Fiscal Agent in the Grant Amount of \$365,500. The Grant Funds will be deposited into a separate non-interest bearing account that has been established by the Fiscal Agent in conjunction with the Auditor/Controller's Office. The Fiscal Agent is required to perform the following services:

- Establish a separate deposit account
- Receive, accept and hold the Grant Amount from the State
- Disburse the Grant funds pursuant to disposition instructions from the State
- Maintain accounting procedures that are in accordance with generally accepted accounting principles

The State has requested the County to authorize a specifically named position to administer both the LPD and GF agreements. Within each of these agreements are separate attachments or exhibits that need to be executed by a Board authorized individual. Environmental Health Services intends to use the funds to improve the efficiency of the drinking water program by improving the automation and data management capacity of the program. The Division will be evaluating the allowable use of funds over the next six (6) months.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel's Office has reviewed and approved the Local Primacy Delegation Agreement, Grant Funding Agreement, Disbursement Claim Form including the incorporated Confidentiality Agreement and Fiscal Agent Agreement as to form and legal effect.

FINANCIAL CONSIDERATIONS

The Grant Funding Agreement provides one-time funding in the form of a grant made by the State to the County of San Luis Obispo under the provisions of the Federal Safety Drinking Water Act and the Safe Drinking Water Revolving Fund Law of 1997. The total Grant Amount awarded is \$365,500. The Grant funds may be used only for the operation of the local drinking water program as administered by the Health Officer under the terms of the Local Primacy Delegation Agreement. The State will make a one-time lump sum Grant payment of \$365,500 into a separate non-interest bearing account that has been established by the County. Funds may only be moved out of the trust account to offset the costs of small water system program expenditures. The Fiscal Agent is required to submit to CDPH a Disbursement Claim form once each deliverable of the contract has been met. Disbursement #1 represents 34% or \$124,270 of the total; disbursement #2 represents 33% or \$120,615; and disbursement #3 represents the final 33% or \$120,615 of the grant.

These funds were not originally included in the adopted FY 2013-14 Public Health Department budget. On September 24th, the Board approved adding staff (.75 FTE Mapping Graphics System Specialist) and GIS software/hardware to support the small water systems program in the Public Health Department. The expenses associated with this prior action were partially offset (\$19,321) by the one-time grant funds for small water systems. The budget adjustment request in the amount of \$50,000 includes the cost of a temporary help Administrative Assistant (6 months) in the amount of \$20,000 to perform data entry into the Environmental Health water well database and a Professional Services contract in the amount of \$30,000 to improve the electronic data exchange capability between the County and the CDPH. The intent is to utilize approximately \$69,321 (\$19,321 + \$50,000) of the overall grant amount of \$365,500 in FY 2013-14. The remaining balance of \$296K will be used over the next several years to improve the efficiency of the drinking water program. The Division will be determining how to spend the remaining balance of funds for small water systems. Approval of each of the agreements will not increase the level of General Fund required for the Public Health Department.

RESULTS

The expected results are as follows:

1. Contribute to the Board of Supervisor's goal of a healthy community
2. Continued regulatory oversight of 150 small public water systems with 199 or fewer service connections
3. Improve the electronic exchange of data between CDPH and Environmental Health Services
4. Evaluate and correct existing data maintained in the Envision/Connect data base
5. Notification and submittal of 2012 electronic annual reports by active small public water systems

ATTACHMENTS

1. Clerks File Statement for the Local Primacy Delegation Agreement and the Grant Funding Agreement